Boosting of ARIs

74. SHRI T.T.V. DHINAKARAN : Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that agro and rural industries in the country are in doldrums and not being able to compete in the open market with their products;

(b) if so, the reasons therefore; and

(c) the steps taken to help the agro and rural industries to sustain and grow?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (c) The agro and rural industries, as well as other industries, in the country are facing greater market competition as a result of globalisation of the economy. To enable the agro and rural industries to face this competition, Government has taken several steps in the recent past.

In order to strengthen the process of rural industrialization and improve the competitiveness of these industries, the scope of the Rural Employment Generation Programme (REGP) was expanded and the maximum project cost eligible for margin money assistance was raised from Rs. 10 lakh to Rs. 25 lakh in case of individuals. This change was brought about in 2001. Following this, budgetary support for the REGP has also been enhanced for generating 2.5 million jobs during the Tenth Plan period (2002-07) as against 1.4 million jobs generated during the Ninth Plan period (1997-2002)

A Confederation for Promotion of Khadi and Village Industries (CPKVI) has been set up in 2003 to strengthen the marketing network of Khadi and Village Industries products. The Product Development Design Intervention and Packaging (PRODIP) Scheme has been started during 2003 in order to assist Khadi and Village Industry Commission (KVIC) units with improved designs and packaging.

Further, in 2003, the Khadi and Village Industries Commission (KVIC) has also established interfaces with reputed technical institutes like the Indian Institutes of Technology and the National Institutes of Technology (formerly known as Regional Engineering Colleges) to support rural

entrepreneurs by making use of research and development infrastructure available with such institutes and thereby helping them in improving the quality of their other agencies like the National Institute of Fashion Technology, National Institute of Design and Textiles Committee for introducing better quality design input in this sector. Efforts have also been made and continue to renovate and modernize the sales outlets managed by the KVIC itself as well as those run by its aided institutions.

All these measures have the objective of making these industries competitive in today's market and help their sustainability and growth.

Establishment of ARIs

75. SHRI C. RAMACHANDRAIAH: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Government have formulated any plan to establish agriculture-based industries, provide technical training for it as well as to provide financial assistance for the establishment of Industries to farmers in order to bring improvement in the economic conditions of the farmers;

(b) if so, the details thereof; and

(c) if not, whether Government are considering to formulate any plan in this regard in the near future?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Yes, Sir.

(b) To promote agro and rural industries in the country, the Government has been implementing the Rural Employment Generation Programme (REGP) through the Khadi and Village Industries Commission (KVIC). Under this programme, an entrepreneur can establish a village industry, including village industry based on agricultural produce, by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank, for projects with a maximum cost of Rs. 25 lakh. Projects costing upto Rs. 10 lakh are entitled to margin money support of up to 25 per cent of the project cost. For projects costing above Rs. 10 lakh and upto Rs. 25 lakh, the rate of margin money support is 25 per cent of Rs. 10 lakh plus 10 per cent of the balance cost of the project for the general category of entrepreneurs. In the case of entrepreneurs from the weaker sections, *viz.,* the Scheduled Castes, Scheduled Tribes,